



CRESCAT CAPITAL®

THE VALUE OF GLOBAL MACRO INVESTING

Crescat Capital LLC
1560 Broadway
Denver, CO 80202
(303) 271-9997
info@crescat.net
www.crescat.net

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Dear Investors:

“Miner” Setback

It is time to evaluate your level of exposure to precious metals. We believe the macro cycle for gold and silver has turned. This could be the last chance to build a position at depressed prices. The economy is likely headed into an inflationary period and it is time to act.

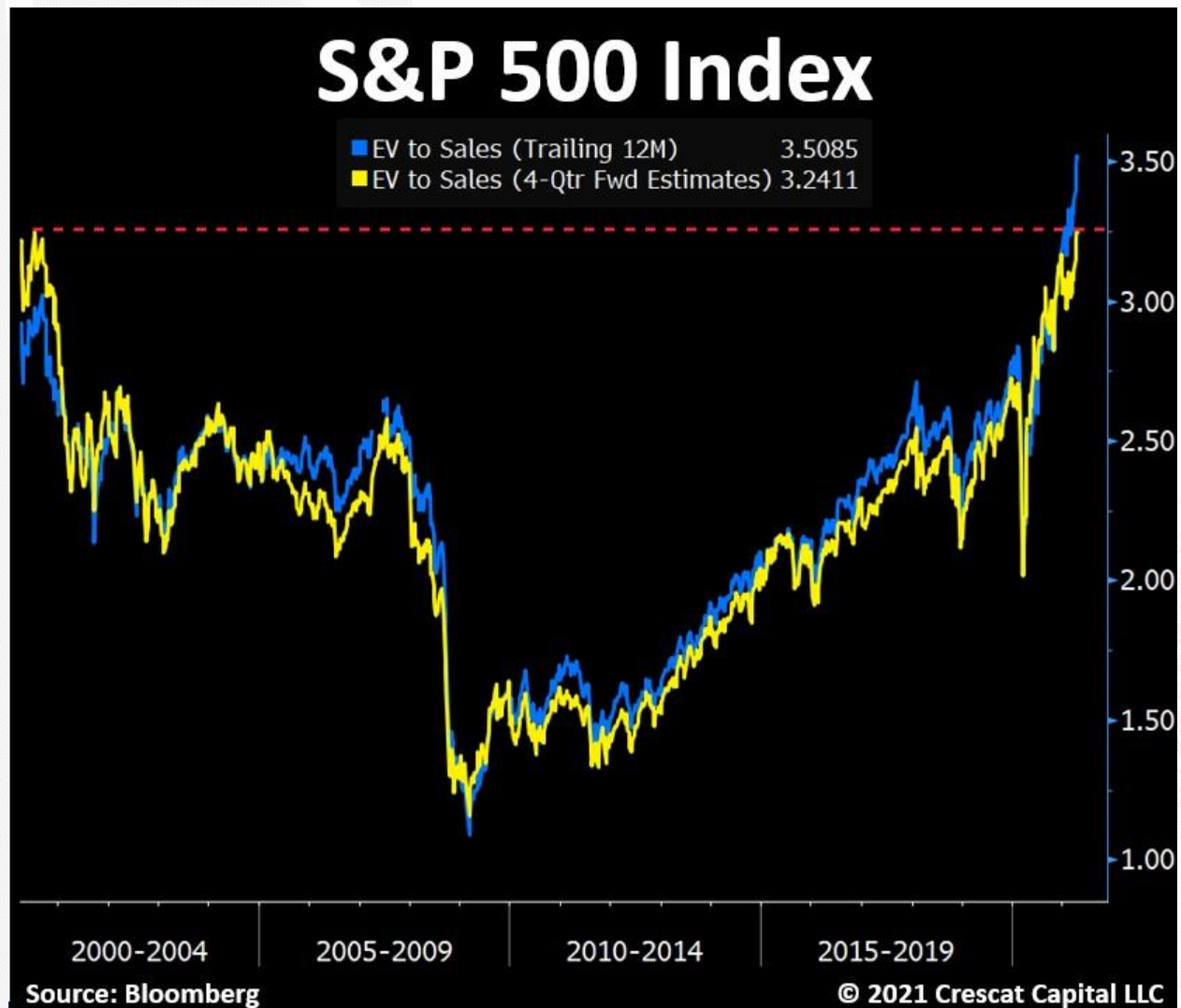
Deloitte has completed our 2020 audit. Investor statements, the audit report, and K-1s will be available via the Alps investor services portal shortly. You will have access to these reports next week. Crescat had an outstanding year in 2020 across all funds.

RETURNS (%)	DECEMBER	2020
CRESCAT PRECIOUS METALS*	41.2	167.8
CRESCAT LONG/SHORT	26.4	67.2
CRESCAT GLOBAL MACRO	25.9	65.6
SENVEST MASTER	17.2	30.5
ANTARA CAPITAL	12.0	59.0
WYNNEFIELD PARTNERS SMALL CAP VALUE	10.1	41.1
LIGHT STREET MERCURY MASTER	9.7	61.0
LUXOR CAPITAL PARTNERS	9.5	50.1
UNION SQUARE PARK	9.1	44.6
BOOTHBAY ABSOLUTE RETURN	8.9	40.7
KRENSAVAGE PARTNERS	8.4	11.0
WHALE ROCK FLAGSHIP	8.2	71.0
WHALE ROCK LONG OPPORTUNITIES	7.8	86.2
MARLOWE PARTNERS	7.6	37.1
PSAM WORLD ARB	7.4	16.7
THIRD POINT OFFSHORE	7.2	20.6
SOMA PARTNERS	6.7	41.5
CAT ROCK CAPITAL	5.9	25.6
CADIAN	5.4	55.5
STATAR	4.7	59.3
PERSHING SQUARE HOLDINGS	4.6	70.2
SCHONFELD STRATEGIC PARTNERS	4.6	9.8
CLEARFIELD CAPITAL	4.5	20.6
SCHONFELD FUNDAMENTAL EQUITY	4.4	14.1
BIRCH GROVE CREDIT STRATEGIES	4.4	7.3
CITADEL TACTICAL TRADING	4.3	20.0
MIG MASTER	3.7	1.4
VERITION	3.1	30.2
SENDER GLOBAL VOLATILITY VOYAGEUR	3.0	69.4
HITE ENERGY	2.7	34.6
CITADEL WELLINGTON	2.6	24.4
CINCTIVE	2.6	18.0
BARNEGAT	2.3	11.9
SCULPTOR MASTER	1.9	19.2
HITE HEDGE	1.6	27.5
HITE CARBON OFFSET	0.9	28.7
GARDA FIXED INCOME RELATIVE VALUE OPPTY.	0.2	22.6
CITRON CAPITAL	N/A	155.0
D1 CAPITAL	N/A	51.0
TIGER GLOBAL	N/A	39.0
BALYASNY ATLAS ENHANCED	N/A	30.0
D.E. SHAW OCULUS	N/A	25.4
D.E. SHAW COMPOSITE	N/A	19.4
CITADEL GLOBAL FIXED INCOME	N/A	17.5

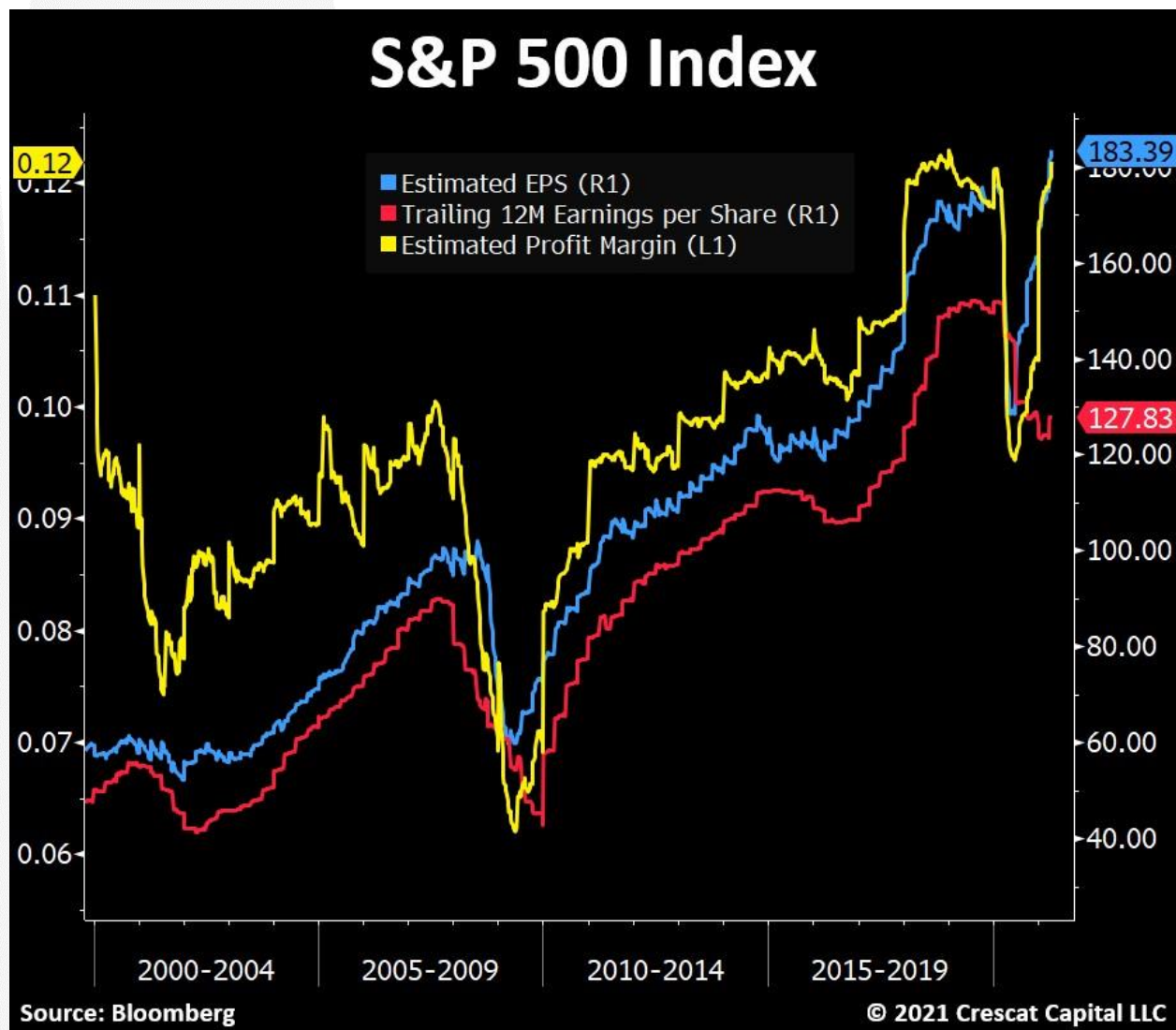
SOURCE: BLOOMBERG NEWS

April has been a strong month for Crescat, with MTD performance up across all five of our strategies. In March, the short positions worked against us in both Crescat's global macro and long short funds. We strongly believe there is significant downside risk to equity markets as we further explain below. Hedge funds have been stopped out of their short positions creating an uncrowded trade. The timing for adding short exposure now is probably as good as it has ever been.

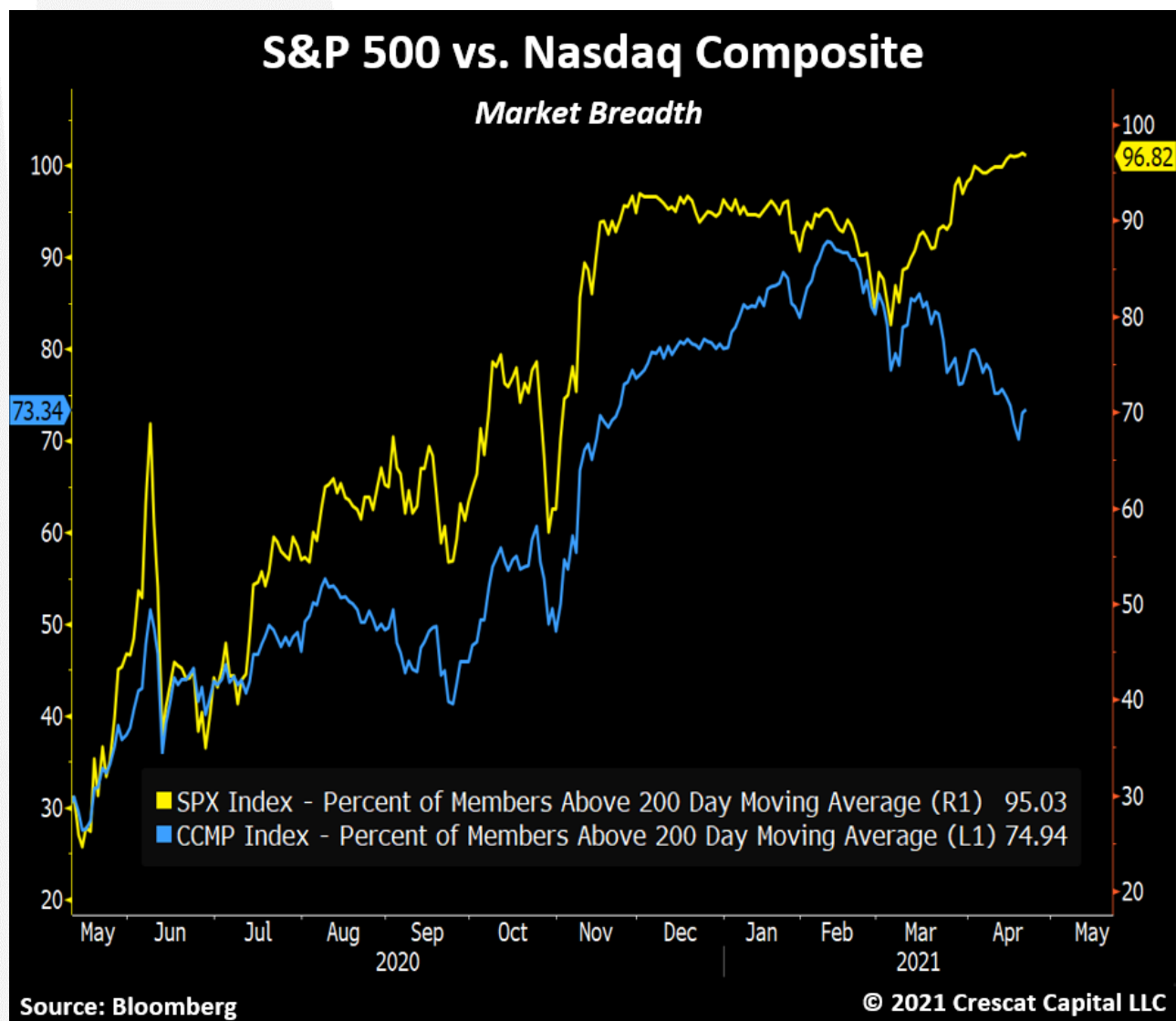
S&P 500 valuations are higher today than the peak of the tech bubble in 2000. Speculation is raging and risks are high due to ultra-easy financial conditions and record leverage. The stock market is priced for a future that is impossible to live up to.



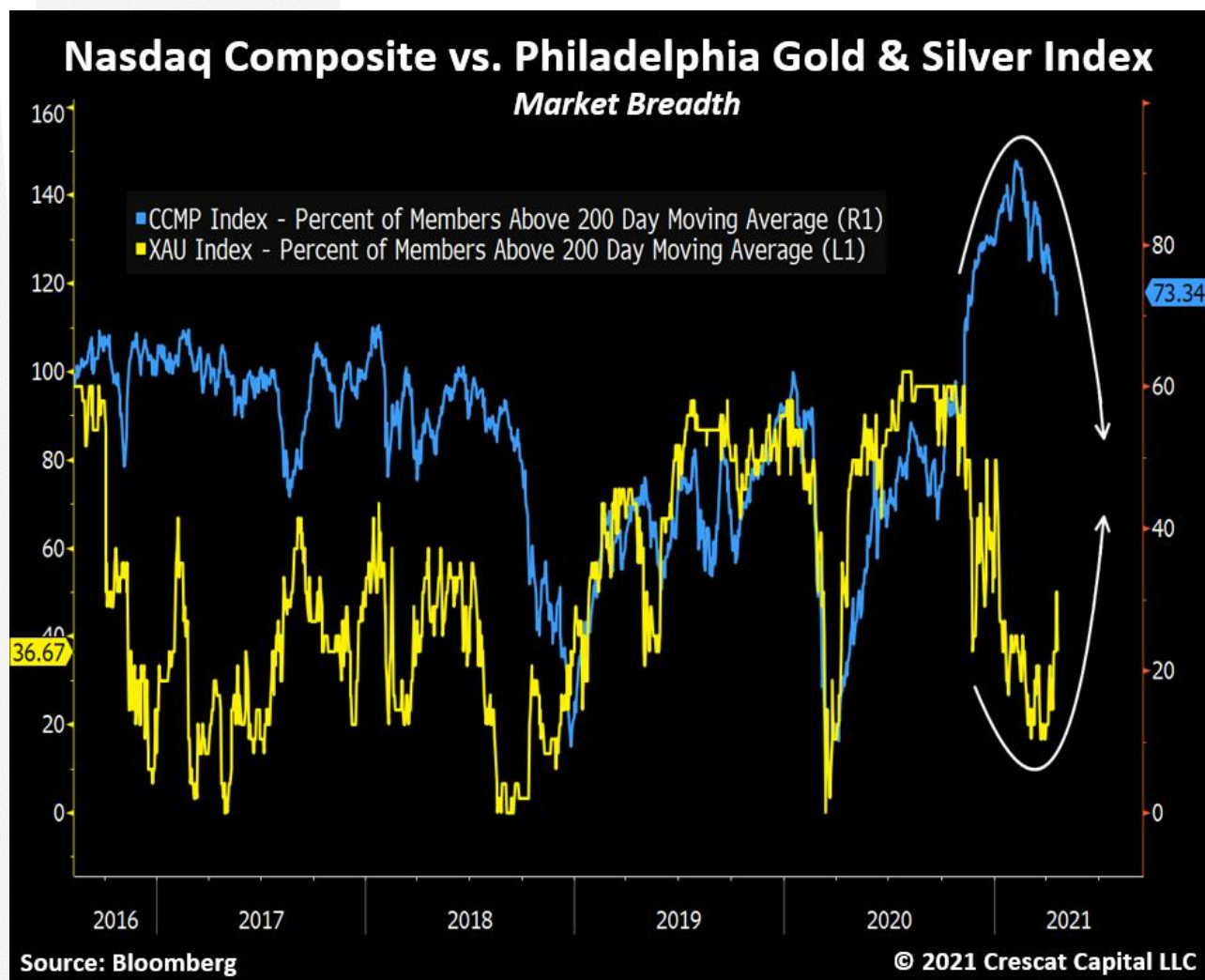
Wall Street analysts predict profit margins will return to all-time pre-Covid highs but ignore rising inflation due to structural shortages and de-globalization across the entire supply chain. They also underestimate risks of ultimately rising labor costs and corporate taxes.



The stock market is still near record highs, but internals are deteriorating. The breadth of the NASDAQ Composite has diverged to the downside since February. The faltering leadership of the widely owned tech sector presents contagion risks.



We believe it is the dawn of the Great Rotation where investors will be selling overvalued, long duration financial assets and buying undervalued hard assets, including scarce resource stocks with high near-term growth fundamentals. Rising inflation is the self-reinforcing catalyst.



With precious metals' prices at their current levels, mining companies continue to improve their margins, tighten up their cost structure, and generate more money than any other time in history. The aggregate free-cash-flow for the top 50 gold and silver miners is now growing exponentially. The fundamental improvement in the overall industry is a central part of our thesis and the reason why each of our hedge funds have significant exposure in early-stage exploration companies. As the larger, and more established, companies deplete their reserves and continue to build a strong cash balance foundation, we think they will be compelled to acquire high-quality projects to replenish their production pipelines. This is especially the case today due to an overly conservative management that is unwilling to spend on exploration. In our view, it is a matter of time until major producers begin to look for highly economic deposits as an alternative to their supply cliff problem, setting off a unique opportunity for us.

At Crescat, our activist goal is six-fold:

1. Identify potential large-scale gold and silver deposits.
2. Acquire meaningful stake.
3. Infuse capital.
4. Bring in experts through our strategic relationship with Quinton Hennigh, PhD.
5. Collaborate with existing management and board.
6. Unlock value by sharing the story.

Our recently launched activist strategy had enormous success last year, but we remain focused on the prize. In our view, the real upward move in gold and silver prices is yet ahead of us. Given the current macro set up, we think precious metals are in the early innings of a secular bull market. Central Banks are trapped and have no choice but to continue to suppress interest rates to allow historically indebted governments to run massive fiscal deficits. More importantly, late-cycle investors also need subdued nominal rates to justify their holdings in risky assets at record fundamental multiples. The problem is these valuations also require low inflation to be sustained. This environment supercharges the case for tangible assets, particularly monetary metals. We believe the recent pull back in gold, silver, and miners since August just gave us the perfect opportunity and timing to continue to raise capital and build a portfolio of companies with exceptional properties in strategic geologic locations worldwide.



We believe the timing is setting up well for all Crescat's strategies and that the pullback in precious metals since August is over as our April MTD indicates. Meanwhile, the set up for shorts in overvalued long duration equity shorts as part of the Great Rotation could hardly be better. **If you are interested in adding money for a May 1st effective date, today is the last day to initiate your request. Please reach out to Marek Iwahashi at miwahashi@crescat.net or Cassie Fischer at cfischer@crescat.net.**

For more specific ideas and opportunities, we encourage you to watch Crescat's latest YouTube presentation. Therein, we provide a macro update and comprehensive overview of our activist precious metals' strategy.

<https://www.youtube.com/watch?v=hUC78QfKZLo>

The interview below, with Tavi Costa and Palisades Gold Radio, provides Crescat's more in-depth views about the current macro environment.

<https://youtu.be/4cDGa1pLpZ4>

We will have a more comprehensive research letter coming out soon.

Sincerely,

Kevin C. Smith, CFA
Member & CIO

Tavi Costa
Partner & Portfolio Manager

For more information including how to invest, please contact:

Marek Iwahashi
Client Service Associate
miwahashi@crescat.net
303-271-9997

Cassie Fischer
Client Service Associate
cfischer@crescat.net
(303) 350-4000

Linda Carleu Smith, CPA
Partner & COO
lsmith@crescat.net
(303) 228-7371

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interest, capital gains, and other earnings. Any possible tax liabilities incurred by the taxable accounts have not been reflected in the net performance. Performance is compared to an index, however, the volatility of an index varies greatly and investments cannot be made directly in an index. Market conditions vary from year to year and can result in a decline in market value due to material market or economic conditions. There should be no expectation that any strategy will be profitable or provide a specified return. Case studies are included for informational purposes only and are provided as a general overview of our general investment process, and not as indicative of any investment experience. There is no guarantee that the case studies discussed here are completely representative of our strategies or of the entirety of our investments, and we reserve the right to use or modify some or all of the methodologies mentioned herein.

Separately Managed Account (SMA) disclosures: The Crescat Large Cap Composite and Crescat Precious Metals Composite include all accounts that are managed according to those respective strategies over which the manager has full discretion. SMA composite performance results are time weighted net of all investment management fees and trading costs including commissions and non-recoverable withholding taxes. Investment management fees are described in Crescat's Form ADV 2A. The manager for the **Crescat Large Cap** strategy invests predominately in equities of the top 1,000 U.S. listed stocks weighted by market capitalization. The manager for the **Crescat Precious Metals** strategy invests predominantly in a global all-cap universe of precious metals mining stocks.

Hedge Fund disclosures: Only accredited investors and qualified clients will be admitted as limited partners to a Crescat hedge fund. For natural persons, investors must meet SEC requirements including minimum annual income or net worth thresholds. Crescat's hedge funds are being offered in reliance on an exemption from the registration requirements of the Securities Act of 1933 and are not required to comply with specific disclosure requirements that apply to registration under the Securities Act. The SEC has not passed upon the merits of or given its approval to Crescat's hedge funds, the terms of the offering, or the accuracy or completeness of any offering materials. A registration statement has not been filed for any Crescat hedge fund with the SEC. Limited partner interests in the Crescat hedge funds are subject to legal restrictions on transfer and resale. Investors should not assume they will be able to resell their securities. Investing in securities involves risk. Investors should be able to bear the loss of their investment. Investments in Crescat's hedge funds are not subject to the protections of the Investment Company Act of 1940. Performance data is subject to revision following each monthly reconciliation and annual audit. Current performance may be lower or higher than the performance data presented. The performance of Crescat's hedge funds may not be directly comparable to the performance of other private or registered funds. Hedge funds may involve complex tax strategies and there may be delays in distribution tax information to investors.

Investors may obtain the most current performance data, private offering memoranda for a Crescat's hedge funds, and information on Crescat's SMA strategies, including Form ADV Part II, by contacting Linda Smith at (303) 271-9997 or by sending a request via email to lsmith@crescat.net. See the private offering memorandum for each Crescat hedge fund for complete information and risk factors.